Evaluation Report
for the
Legal and Regulatory
Technical Assistance Project

A USAID/Russia Project
Implemented by
Boston University's
Center for International Health

Evaluation Team
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Table of Contents

Executive Summary

The Russian health system is financed by general government revenues, payroll taxes paid into a mandatory insurance fund and, as this project has revealed, considerable out-of-pocket consumer payments. The government provides almost all services. Critics have characterized the system as suffering from, among many problems, excess capacity, poor management, under-funding, and in some cases antiquated medical practices.

With financial support from USAID, Boston University's Center for International Health is providing assistance in Russia to facilitate legislative and regulatory changes needed to address some of the serious deficiencies in existing health services. The goal of this project, along with other USAID programs in the health sector, is to improve the quality of care while assuring access for all Russian people.

The Center for International Health, referred to in Russia and in the report as BU, has been assisting Russian institutions with legislative and regulatory reform for two and a half years. The current $1.5 million, three-year USAID cooperative agreement has been in effect for approximately 18 months. As of June 30, approximately half of the money remained for expenditures through September 1999.

BU utilizes USAID resources to provide assistance to national and oblast (state) level institutions. The three key national level counterpart organizations – the national legislature (Duma), the ministry of health (MinZdrav), and the mandatory health insurance (MHI) fund – are the most important institutions setting national health policy. BU also provides assistance to state dumas, regional MHI offices, health departments and other policy and regulatory bodies in four of Russia's 87 oblasts.

BU is helping or has helped those organizations with some 18 legal or regulatory reform activities which they initiated. These initiatives will, if properly designed and implemented, contribute to important improvements in the health care system. They would, for example, help to improve financing and payment mechanisms, establish norms for the purchase and distribution of pharmaceuticals, improve the quality and safety of medical devices, establish financial and performance standards for health insurance companies, facilitate the establishment of private health care provider groups, increase the autonomy of public hospitals, encourage a reduction in the system's excess capacity.

BU's principal activity is the provision of expert advise to legislators and administrators on these legal and regulatory reforms. Technical support activities have included, for example, identifying key issues that need to be addressed in particular laws or regulations, providing examples of laws and regulations from the U.S. and other Western countries along with comments about the effectiveness of those laws, and commenting on draft laws produced by counterparts.

A small group of very experienced Boston University faculty and Russian experts in health legislation, administration, and health financing and economics provide the bulk of this assistance. This core BU group has been buttressed, as necessary, by the recruitment of highly qualified international and Russian consultants. Reflecting the small size of the project (expenditures of less than $500,000/year), no technical staff person and only one administrative person spend more than half-time on project activities.

The quality and effectiveness of the technical assistance provided has been excellent. BU's American and Russian personnel are technically competent, generally knowledgeable about and sensitive to the Russian environment, and offer information and counsel in a way that builds confidence and trust. Data collected for this evaluation indicate that project technical assistance activities have substantially increased the knowledge of counterparts in important policy making and regulatory institutions, made those institutions more amenable to reform, improved the content of laws and regulations currently being developed, and accelerated the pace of legislative and regulatory reform. These contributions of the USAID-BU program are widely recognized and much appreciated by the officials and administrators with whom the project has worked.

BU has supplemented its technical assistance activities with study tours, workshops and an applied research program. The two study tours to the U.S. and five workshops in Russia completed to date have been well planned and implemented. Those activities reinforced the technical assistance component by introducing new ideas, increasing receptivity to reform, and building stakeholders' support for the legislation and regulation drafted with project assistance. Similarly, dissemination of the results of the applied research on household expenditures has helped to create an environment conducive to the reforms needed to improve the quality and efficiency of health care services.

The evaluation team recommends that USAID continue and, if possible, provide a somewhat increased level of financing to this small but important development activity. BU should repeat the very successful household expenditure survey and analysis and consider other types of applied research that would help to inform decision-makers and the public and to create an environment conducive to reform. The team also recommends that BU and USAID give serious consideration to the creation of a Russian entity that would institutionalize the support provided under this project. These new activities, plus the development of new administrative support mechanisms that will be needed, will require a modest level of additional staff time and financial resources.

At the same time, the evaluation team recommends that the project maintain technical assistance to governmental legislative and administrative entities as its main thrust. In the future, the team believes that, with the trust that BU has established with counterparts, it should be somewhat more proactive with respect to the selection of activities and the content of reforms. Although BU personnel already have a good sense of what reforms are needed, they would benefit from closer relations with the World Bank and other international donors and with other USAID projects committed to health reform activities. The team also recommends that BU focus increased attention on technical

assistance and dissemination activities that will expand the impact of its program to additional oblasts.

Introduction

Purpose of this evaluation. This report summarizes an evaluation of assistance activities on health legislation and regulation carried out in Russia by Boston University's Center for International Health (BU[1]).

The USAID Mission to Russia financed this BU activity under a cooperative agreement. The USAID Mission also requested this independent evaluation, which forms part of its routine efforts to document accomplishments, identify and resolve problems, and assess and improve the effectiveness of its program.

The scope of work for this study calls for the evaluation team to determine whether and how BU met its objective of contributing to the process of legal reform and development of health care in Russia. USAID directed the team to evaluate the following elements:

- Work planning;
- Managing adjustments in the scope of work, funding and scheduling;
- Providing technically qualified personnel on a timely basis and retaining them;
- Responding to technical directions;
- Adhering to work schedules;
- Providing home/corporate office support to contract personnel;
- Submitting reports and other deliverables as required;
- Cost consciousness, effectiveness and efficiency, and
- Timeliness and completeness of documentation related to notifications to USAID.

USAID's scope of work also asks the evaluators to examine the effectiveness of BU's activities and of the management structure that BU has established for the project.

In a meeting at the beginning of the evaluation process, USAID further expanded on its interests and concerns, informing the evaluation team of three possible changes outside of BU's control that could adversely affect project operations. First, USAID noted that BU's current management structure depends on another grantee, Kaiser Permanente International (KPI), and the expected termination of KPI's activities requires BU to make alternative arrangements. USAID staff indicated, second, that U.S. legislative and budgetary restrictions on the USAID assistance program in Russia might limit the extent to which BU can directly assist the government. Third, overall budget limitations are likely to cause a reduction in the level of USAID financial support for the BU project, at least for the coming year. USAID asked that, to the extent possible, the evaluation team factor these potential changes into its assessment and recommendations.

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[1] The authors refer to the Center in this report simply as BU, since that is how it is called in Russia.

USAID asked the team to focus on assessing the activities carried out under Cooperative Agreement 118-0004-A-00-6215-00 initiated in September 1996. This $1.5 million agreement followed an earlier cooperative agreement (118-0004-A-00-5332-00 initiated in September 1995) for $500,000. The team found that a number of BU activities under the current cooperative agreement were initiated under the earlier grant. In considering the potential impact of BU assistance to those legislative efforts, it was impractical to separate the contributions made under each agreement. Thus, the interview responses to questions on quality and timeliness of assistance, impact on content of legislation, etc. upon which this assessment is based, may reflect BU inputs financed under both cooperative agreements.

The evaluation team. A two-person team, Gerald Wein and Julian Simidjiyski, from the Carana Corporation conducted this evaluation. In addition, Robert Otto assisted in team planning, initial interviews and review. Work began at the beginning of September 1998, and was completed in mid-October. A brief biographical sketch of the evaluators is provided in Annex G.

Methodology. The sources of information for this evaluation were project documents and interviews. The review of documents included proposals, cooperative agreements, work plans, progress reports, and project outputs, including memos, translations, trip reports, draft laws, and other documents.

The teams two and a half week stay in Russia in September, 1998, was utilized to interview project staff, Russian counterparts and USAID personnel, to obtain and review additional project documentation and to prepare a first draft of this report. The team provided oral briefings and the draft report to USAID and BU personnel prior to its departure from Russia. USAID and BU comments on the draft were forwarded to the team in the U.S, and those comments were incorporated into the final version of the evaluation report submitted to USAID in mid-October.

The team initiated its work in Russia with interviews of USAID and BU staff. In planning its interviews with Russian counterparts, the team then developed a set of hypotheses about each of the project's three principal activities: technical assistance, study tours and workshops, and applied research. These hypotheses dealt with the process and the impact of BU assistance activities. For example, the team hypothesized that the selection of technical assistance activities was based on BU's professional judgment about priorities for health reform, legislative or regulatory priorities identified by other USAID or World Bank health projects, the interests and priorities of counterparts, the areas of expertise of BU staff, etc. The team then developed interview questions to test whether these hypotheses were valid. The team interviewed 13 Russian counterparts, including senior officials from each of the principal counterpart institutions. This report incorporates interview responses along with the team's own judgment and perspective.

Evaluating the *impact* of health reform activities presents a number of difficulties. Worldwide experience with health reform, including in the U.S., shows that enacting reforms is almost always a highly political, slow and often unpredictable process. In the two and a half years of project activity (the cumulative period under which BU has worked under the two cooperative agreements), two of the project's 18 principal

legislative or regulatory activities have reached the point where a new law or regulation has actually been enacted, one at the national level and one at the oblast level. Both were enacted in the past nine months. Several more laws are close to enactment. Clearly, it would be unrealistic in this situation to expect to see significant and measurable impact on health care delivery or health status. The evaluation team thus sought to determine whether BU has had an impact on the process of reform. More specifically, the team sought through its interviews with counterparts to assess whether BU's activities changed knowledge and attitudes toward reform, resulted in better draft legislation or regulation, and accelerated the pace of reform. In addition, the team asked about, but did not expect to find, changes in the delivery of health care services. The team's finding in each of these areas are provided in Section II.

Appreciation. The authors want to express their appreciation to the many people and institutions that assisted in its work. Firstly, we wish to thank USAID/Moscow, particularly Constance Carrino and Tamara Sirbiladze, for the opportunity to conduct this evaluation and for the guidance, feedback and other assistance they provided to the evaluation team. The team also benefitted from discussions of methodology with USAID specialists Denis Korepanov and Faith Galetshoge.

The authors could not have carried out this evaluation without the excellent cooperation from the personnel of Boston University's Center for International Health. BU's Moscow project director Dr. Igor Sheiman provided extensive background on project activities and introduced the team to key counterparts in Moscow and Novgorod. Elia Nagaeva set up meetings, obtained entry permits, provided data and access to files, facilitated transportation and helped in a variety of other ways. Dr. Frank Feeley arranged for the transmission of voluminous project documentation which allowed the team to get started in Moscow; he also arranged his own travel to overlap with the team and provided information and insight into project goals, constraints, obstacles, and activities.

The team is particularly grateful to the many Russian officials who took time out of their busy schedules to be interviewed for this report and who shared their stories and valuable insights into the work carried out with the project. The team was impressed by their strong commitment to the improvement of their national health system.

Finally, the team wishes to thank the staff of Carana's offices in Moscow and Arlington, which provided effective administrative and logistical support.

Organization of this report. The report is divided into three major sections. Section I provides background to the USAID/BU Cooperative Agreement and a description of the project's technical assistance, study tour and workshop, and research activities. The information in this section is taken largely from BU documents, supplemented by interviews with BU staff. Section II presents the evaluation team's findings about the quality and effectiveness of BU's activities. This section is organized again by the three principal types of assistance activity. The information in section II is based primarily on the interviews with Russian counterparts and the judgment of the evaluators. Section III presents the team's conclusions and recommendations. Additionally, there are six annexes that provide more detailed information about BU activities and the evaluation team's work.

The interpretations, conclusions and recommendations contained in this report are the authors' and do not necessarily represent the views of any particular individual interviewed for this report.

I. Background and Description of Project Activities

A. Background

From the initiation of its activities in Russia early in this decade, USAID programming has reflected an awareness of and concern about the low level of efficiency and the deteriorating quality of Russian health care services. This programming included a variety of activities designed to introduce Russian officials, administrators and health care practitioners to modern medical, financial, organizational and managerial technologies practiced in Western countries. With regard to introducing reforms in the financing, organization and management of Russia's state-financed and state-provided health care system, USAID's largest activity to date was the ZdravReform project. That project focused largely on setting up pilot reform projects at the sub-oblast or local level. These reforms sought to establish incentives that would encourage the more rational use of resources and better quality of care.

In 1995, USAID invited proposals for not-for-profit institutions to supplement the work of ZdravReform and focus more at the oblast and national levels. Boston University's Center for International Health (BUCIH or BU) responded with a proposal for a $7.5 million program of activities that included legislative work and work on pilot projects. USAID decided to split the intended health reform activities among two organizations, awarding a $500,000 cooperative agreement to BU for a one-year program limited to legal and regulatory reform work and a separate grant to HPI for complementary work on pilot projects.

In response to a second USAID RFA in 1996, BU submitted a proposal for $3.5 million for a program of legal and other types of assistance on health reform. USAID again elected to limit BU's role to legal and regulatory reform, expecting it to work closely with other USAID grantees, particularly Kaiser Permanente International (KPI), working on sectoral reform issues. BU's second (and current) cooperative agreement is for $1.5 million over a three-year period.

To date, USAID has obligated $1.45 million. By the end of June 1998, BU had utilized only $737,000. Table 1 below shows how these resources have been utilized.

Table 1 **BU Project Expenses**
4/1/97 - 6/30/98

	Planned	% of Total	Actual	% of Total
Technical Assistance	941 568	66%	412 283	56%
Study Tours	159 664	11%	106 661	14%
Workshops	75 137	5%	38 638	5%
Applied Research	98 537	7%	81 748	11%
Management	158 684	11%	97 809	13%
Total	1 433 590	100%	737 139	100%

By the end of September 1998, BUCIH expects to have utilized approximately $850,000, leaving $500,000 available for future activities. Of this amount, $100,000 is reserved for activities related to AIDS.

The purpose of the current BU cooperative agreement is to improve the effectiveness of its (Russia's) system of providing health care as a social benefit through the development and testing of modern and effective governance structures and through the development and testing of alternative programs of capital asset formation."[2] To achieve these objectives, BU is to provide technical assistance to national and regional legislative bodies and administrative agencies and to bring about changes in the attitudes of health policy makers. Other BU project documents speak of the objective in terms of assisting in the creation of laws and regulations at the oblast and national levels which permit continued reform of the financing and organization of health care services. According to the program description contained in the grant agreement (see Annex E), expected results included:

- draft laws on financing and organization having reached the First Reading stage in the state (national) Duma,
- laws permitting experimentation with new governance structures (including but not limited to the integration of government and mandatory health insurance (MHI) budgets, multi-specialty group practice, and hospital trusts), and
- favorable changes in the attitudes of national and regional health policy-makers regarding finance, service delivery and governance reforms.

To achieve these objectives, the project has carried out three basic types of assistance: technical assistance; seminars and study tours and workshops, and applied research.

B. Technical Assistance Activities

Technical assistance activities represent the most important element of the project, absorbing 56 percent of the financial resources expended to date. The project's technical assistance program has had seven principal Russian clients: three national level institutions and four oblasts. At the national level, counterpart organizations include the national legislature (the Duma), the Ministry of Health (MinZdrav), and the Mandatory Health Insurance (MHI) fund. Oblasts assisted include Moscow, Novgorod, Kaluga and Samara.[3] Twelve of 18 technical assistance activities have been at the federal or national level.

The process of legislative and regulatory reform is complex, often requiring multiple revisions to drafts to address the concerns of one of more stakeholders. The following list outlines the basic steps to legal or regulatory reform typically followed under the project. The principal action agent for each step is shown in parentheses.

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2 According to BU, USAID later asked BU not to continue working on issues of capital formation. See comment in Section III.D., p. 19.

3 BU activities in Samara have been limited, as considerable assistance is available through the British Know How Fund.

1. Develop a local work plan and budget. (Prepared by BU Moscow staff for review and approval of Boston-based project manager.)

2. Form Working Group of Russian consultants and officials (Counterpart institution with BU participation)

3. Sign consulting contracts with Working Group members. (Contracts prepared and executed by BU Moscow staff)

4. Collect background data and analyze existing law and regulations. (Working Group with assistance of BU personnel)

5. Review precedents in other countries. (BU staff, with lead in Boston)

6. Develop a concept paper (conceptsia) for the new law or regulation. (Working group with participation of BU staff and consultants)

7. Prepare an initial draft of the legislation or regulation. (Working Group of Russian officials and consultants under contract with BU.)

8. Legal experts review draft. (BU Boston-based staff and consultants)

9. Review drafts with affected stakeholders, including public meetings where appropriate. (Working Group with possible participation of BU staff)

10. Revise draft law or regulation to reflect comments. (Working Group)

11. Submit draft law for the review and approval of the appropriate Duma or regulatory authority. (Working Group)

12. Referred for First Reading (Duma, for legislation)

13. Referred for Second Reading (Duma, for legislation)

14. Enactment

15. Implementation

Of the 18 legislative or regulatory reform activities on which the project has worked, one law and one regulation have been adopted and implemented; four laws have been referred for first reading in federal or oblast Dumas. BU has provided comments on the first drafts of two additional laws, and the work is in progress on the drafts of two regulations. In addition to commenting on draft laws and regulations, BU has prepared a variety of discussion papers and memoranda that highlight the complexities of legal and policy issues in health care and summarize and interpret Western legislative and regulatory experience.

Table 2 below shows the type of legislative or regulatory activity, the principal counterpart organization and the status of each technical assistance activity.

Table 2

Technical Assistance Activities, by Type of Legislation, Counterpart and Status

No.	Type of Legislation	Counterpart	Status
A1	Structure of Health Care law	Duma	First Reading (12)
A3	Medical devices law	Duma	First Reading (12)
A2	Private practice law	Duma	First Reading (12)
A5	Tuberculosis law	Duma	First draft reviewed (8)
CMa	Tertiary care financing guidelines	MinZdrav	Work in progress
CMb	Planning Guidelines	MinZdrav	Work in progress
C1	Minimum benefits package law	MinZdrav	First draft reviewed (8)
	Conceptsia on health care	MinZdrav	Completed (6)
B1	Accreditation of insurance cos.	Fed MHI	Adopted by MHI Fund (14)
B2	Guidelines for operational plans	Fed MHI	Activity canceled
F2	Minimum benefits package law	Kaluga	Work on draft in progress
F1	Patients' rights law	Kaluga	BU support withdrawn
D1	Health care financing law	Moscow	First Reading
D2	Minimum benefits package law	Moscow	Merged into financing law
E1	Pharmaceutical law	Novgorod	Adopted into law
E2	Law on Private Practice	Novgorod	BU support withdrawn
G1	Law on Private Practitioners	Samara	Focus shifted to tax issues
M	Misc. (tobacco and drug use, etc.)	All inst.	Various

Project procedures call for BU's planned work on each of these activities to be summarized in work plans submitted to USAID. Because of the political nature of health reform and Russia's frequently changing environment, BU has made frequent changes in its work plans, updating these each six months. Annex C tracks BU's technical assistance plans and results for each activity over time, as shown in BU's semi-annual revised work plans and quarterly progress reports.

C. Study Tours and Workshops

The project organized two study tours to the U.S. and was the organizer or co-organizer of five workshops in Russia.

1. Study Tours

Two study tours to the U.S. were organized on the topic of Roles and Responsibilities of State Level Health Care Organization: What are the Potential Benefits for Russia. The first study tour was conducted from June 14 - 28, 1997. The objective of this study tour was, through series of lectures and site visits, to familiarize the participants with such issues as: the U.S. government and health care system; comparative methods of health care regulation; the role of the state in decreasing health risk factors and monitoring health status; and quality issues in accreditation of health facilities.

Participants in this study tour included twelve federal and oblast level officials, most of whom were trained as physicians. Participants included members of the Health Committee of the Federal Duma; Heads of Oblast Health Departments, and high ranking officials from the Federal MHI Fund, Oblast MHI Fund, the MinZdrav, and the Public Health Research Institute.

The second study tour was held from June 7-19, 1998. The objective of this study tour was to move beyond comparisons between the Russian and U.S. health systems and to study the potential applicability of U.S. legal and organizational principles in Russia. The study tour consisted of series of lectures and site visits. The 12 participants included health care officials from oblast-level institutions in Kaluga, Novgorod and Moscow. (Annex H provides a summary of the project's study tours.)

2. Workshops

The project organized or assisted in the organization of five workshops between September 1997 and June 1998. (Annex I provides a summary of these workshops.)

The topic of the first workshop, held from September 16-18, 1997, was Regulations for Accreditation of Insurance Companies Working in Mandatory Health Insurance. The workshop was attended by officials from the MHI, the MinZdrav, the Ministry of Finance and insurance companies. Subjects of discussion included the legal basis for accreditation; authority for granting and revoking accreditation; accreditation criteria; and evaluating the operational capability of health insurers.

A workshop, on the Potential Applicability to Russia of Selected Legal and Organizational Principles of the U.S. Health Care System, was held in December 1997. BU co-sponsored this event with the MedSocEconomInform Institute. This workshop was a follow-up of the first U.S. study tour conducted in June 1997. Participants in the workshop included the participants in the study tour plus a number of guests from the MinZdrav and oblast health committees. The workshop centered on the applicability of the following legal and organizational principles in Russia:

- use of non-profit organizations in providing health services;
- managed care as an approach to organizing health delivery;

- malpractice litigation as a means of defending patients' rights and enhancing the quality of care;
- use of state licensing and non-governmental accreditation organizations to set standards for health care providers;
- the role of the state government in health care quality control, and
- the ability to use state governments as "laboratories" for innovations in health care.

BU's third workshop, on "Planning Requirements for Insurance Companies Seeking Accreditation for Mandatory Health Insurance," was held on March 3, 1998. The objectives of this workshop were to present Western experience with accreditation and to outline the legal, financial and other requirements Russian insurance companies will face under the proposed new MHI regulations.

A fourth workshop, to report on and to discuss the results of the household health expenditure survey, was held on May 18, 1998. Participants in this workshop included health policy leaders from the federal Duma Committee on Health, the MinZdrav, the MHI and oblast health departments.

A joint BU/KPI workshop on Dissemination of Information on Russian Health Reforms was held in June 1996. Participants included officials from the Health Committee of the federal Duma, the MinZdrav, the MHI, and oblast health departments. The objective of this workshop was to report on the outcomes of various health reform projects and encourage sharing of experience among the participants.

D. Applied Research

BU's research, apart from that undertaken to identify key issues to be considered for a particular type of law or to identify precedents in Western countries, is a new project initiative, not specifically called for in the cooperative agreement. To date, the only activity of this type has been a national household expenditure survey and analysis. Expenditures on this activity total just over $98,000, about 11 percent of total expenditures under the current cooperative agreement.

The objective of the household expenditure survey was to assess direct household (or consumer) participation in health care financing. The survey collected data from 3,000 households on health expenditure and health seeking behavior.

The survey found that household expenditures on health represent approximately 47 percent of total health expenditures. About 62% of those out-of-pocket expenditures were for pharmaceuticals and medical devices. These are rather remarkable figures for Russia, a country in which health care is guaranteed by the state (with no officially sanctioned co-payment). Although similar data on out-of-pocket expenditures are often obtained in developing countries that also guarantee free health care, those countries typically have sizable private sectors, which receive the bulk of the direct payments. In Russia, which still has few private providers, the study implies that state-owned and operated facilities are collecting sizable unauthorized payments from patients. These figures have startled Russian officials and may be a catalyst to reform.

BU contracted with an experienced Russian organization, the Institute of Social Research, to design and carry out the survey and to analyze the results. BU staff provided considerable technical expertise and oversight to ensure the quality of the work. This included assistance in the design of the survey instrument and the analysis from Drs. Feeley and Sheiman, and advice on the sample design, survey instrument and interview techniques from Dr. Thomas Mangione.

E. Management

The project is managed by two directors, Dr. Frank (Rich) Feeley in Boston and Dr. Igor Sheiman in Moscow. Dr. Feeley, a distinguished academician known for his work on health legislation, has overall responsibility to BU and USAID. New activities must be approved by Dr. Feeley, who retains overall technical and financial responsibility for the project. Dr. Sheiman, a recognized leader in health economics and health reform, is the primary liaison with the Russian counterparts. In addition to providing much of the technical expertise on technical assistance projects, Dr. Sheiman screens new project ideas and develops budgets for those that appear to be of merit.

Because BU has not registered to work in Russia and in order to economize on project resources, an arrangement has been negotiated through which BU's Moscow office is incorporated into and receives support from KPI. Under this arrangement, KPI provides free office space, and it bills BU for telephone and other support services. Because of the technical complementarity of the two projects, KPI also manages (and finances) a joint dissemination program. Since rental agreements, banking, and employment contracts are burdensome activities in Russia, the savings to the BU project through this arrangement may be considerable. (This unusual arrangement between the KPI and BU projects has been endorsed by USAID.)

BU's financial report for the period ending June 30, 1998 shows that management expenditures totaled $159,000 or 13 percent of project expenditures. This figure understates the true cost of management and administration at least to the extent of the subsidy through KPI. That figure also excludes most of the cost of financial management and other support services which are allocated across project activities.

Even taking these factors into account, it seems quite evident that BU is a small and "lean" operation. The project has only one full-time employee, the office manager in Moscow. Other administrative responsibilities are carried out by a financial officer and secretary in Boston and by the project directors, none of which spend full-time on the project. Much of the time of these staff is charged to specific project activities rather than to management.

Another factor in keeping costs down is the project's considerable use of Russian experts. These experts include project staff, experienced consultants, and local experts. Local experts include government officials with appropriate experience who are willing to commit themselves to providing extra time and effort to the development of the legislative or regulatory reform products. BU contracts with these local experts who are generally selected jointly with the senior counterpart official. BU authorizes payment under these contracts when stipulated deliverables are provided at an acceptable quality. The project has received USAID authorization to enter into such contracts provided that

total expenditure does not exceed seven percent of total project costs. This seven percent limitation applies only to the cost of contracts with employees of counterpart institutions and does not include truly independent Russian consultants.

II. Evaluation Findings

A. Technical Assistance Activities

This section summarizes the evaluation team's findings on the quality and impact of BU's technical assistance in drafting laws and regulations. To evaluate the overall quality of assistance the team looked at such indicators as the selection of activities, planning of assistance, quality of personnel, outputs, and reporting. To evaluate the impact of technical assistance the team looked at whether BU assistance had increased knowledge and changed attitudes toward legal and policy issues in health care; improved the quality of counterparts' draft laws and regulations, and increased the pace of health reform.

1. Quality and Timeliness of Technical Assistance Activities

Selection of Counterparts. BU's counterparts at the national level are the Health Committee of the federal Duma, and senior officials of the MinZdrav and the MHI. These are the most important actors in setting national health policy. At the oblast level, BU is also working with the appropriate senior level officials.

Selection of Assistance Activities. Many counterparts were initially concerned that BU would attempt to "Americanize" the Russian health system, pushing legislative and regulatory bodies to accept BU's or USAID priorities for reform and to incorporate U.S. practices. Reflecting BU's sensitivity to this Russian concern, the project's selection of technical assistance activities has been guided by what project staff refer to as "Svetlana's Law," named after BU's first Moscow Project Director, Svetlana Kruchinina. According to this principle, assistance should be demand-generated, i.e. provided only in response to counterparts' requests. The use of this principle has helped to establish BI's credibility and to build an atmosphere of trust. It has also ensured that counterparts would "take ownership" for the activity and be motivated to draft the needed law or regulation.

With more proposals put forth by counterparts than the project staff and budget could accommodate, BU has retained some ability, even within the context of Svetlana's Law, to determine the content of its technical assistance work. BU often requires a written request outline of the issues and plans. BU based its response to particular requests on its assessment of the seriousness of the counterparts' interest, BU's staff expertise, and the value of Western countries' experience in the area. The project also gives priority to those activities that could produce a significant impact on the health system.

BU's approach to selection has matured along with counterparts growing trust in the project. For example, BU does not offer unconditional help to counterparts. It has required, first, that counterparts have a clear idea about the law or regulation and about the kind of help needed from BU. BU has also withdrawn support when counterparts failed to progress (e.g., on the Patients' Rights law in Kaluga).

Planning and Monitoring of Activities. After selecting an activity, BU and counterparts together identified the steps of the drafting process and tie them to specific deadlines. Planning often responded to the needs of counterparts to produce a document by a relatively short deadline. (The steps identified in these plans are essentially those identified in Section I.B. above.) Planning was typically a responsibility of the working groups whose members were local officials contracted by BU and BU's Russian staff and consultants. According to interviewed counterparts, BU played a key role in the planning process.

Interviewees also gave BU credit for helping to motivate working group members to adhere to deadliness and to produce good quality legislative and regulatory proposals. One of the tools designed to ensure quality of drafts is a provision in BU's consulting contract with working group members that conditions payment on the BU Moscow Director's review and acceptance of documents. One interviewee laughingly told the evaluation team, "BU makes us work too hard to fulfill our obligations and stay within the deadlines of our work plan."

The project's planning and record keeping about planning, timetables and performance monitoring is adequate, but appears to have deteriorated somewhat after the death of Svetlana Kruchinina. Dr. Kruchinina had maintained excellent documentation of activities reflected on progress charts.

Quality of Personnel. Providing qualified personnel to do the complex tasks of the project was one of the most important requirements for project success. The project requires not only people possessing excellent technical skills, but also ones having good managerial capabilities and interpersonal skills.

The evaluation team is pleased to note that the project was consistently staffed with an excellent team of lawyers and economists. The key staff -- Frank Feeley, Svetlana Kruchinina, Igor Sheiman, and Wendy Mariner -- all have long experience in working on issues of health reform both in Russia and internationally. The number of publications (books, articles, etc.) on topics of health law, policy, and economics that they had authored or co-authored testifies to their technical capabilities. Almost all interviewees gave both the Russian and U.S.-based BU staff the highest marks (five out of a possible five on the team's assessment scale). "No institution in Russia," commented one interviewee, "could match the quality of personnel BU has provided."

In addition to the core staff, BU has contracted with a considerable number of local experts and outside consultants. BU's ability to find highly qualified Russian consultants has helped to keep project costs down and to make the assistance provided relevant to the Russian context. Counterparts pointed out to the evaluation team that BU staff and consultants were sensitive to and respectful of Russian political and cultural standards. The BU experts comments and recommendations on draft legislation and written materials reflected the specifics of the local social and political environment. Staff and consultants always either spoke Russian or came to meetings with a competent translator.

BU has an unusually good record of retaining high quality staff. The continuity of staff contributed to the building of relationships with counterparts and to the project's efficiency.

Quality of Written Products. Project materials developed for local use were clear, well-organized and presented in good Russian. All interviewees felt that materials were provided on a timely basis, technically sound, relevant to the Russian situation, and thus helpful in solving Russian problems. Several interviewees commented specifically on the usefulness of the project's Russian translations of foreign health laws and regulations, accompanied with comments analyzing the strengths and weaknesses of the laws/regulations and suggesting which concepts could be applicable in Russia. To the extent that products were disseminated outside of the group working on a specific law or regulation, this appears to have occurred through workshops and through the KPI distribution system.

2. Impact of Technical Assistance Activities

Impact on Knowledge and Attitudes. The USAID grant agreement providing for BU's work in Russia states (see Annex E) that the grantee was expected to monitor and measure changes in the attitudes of health policy makers toward health reform pre-and post-technical assistance and training activities so as a measure of project impact. Although BU acknowledges that such changes are an important indicator of project impact, it did not attempt to carry out this task.

The evaluation team's interviews revealed ample evidence that the project did increase the knowledge and change the attitudes of the great majority of Russians with whom it worked. Study tours, workshops, and technical assistance significantly increased the knowledge of counterparts of legal issues relating to organization, quality control, health care finance, management and other areas.

BU helped a number of counterparts to learn the techniques of drafting laws and regulations. This was particularly noticeable at the oblast level where, because so much authority had been centralized under the Soviet system, there was little experience in legislating.

Counterparts also reported improvement in their understanding of health policy issues as a result of BU's assistance. Activities such as workshops and study tours as well as comments on draft laws, written translations of European and U.S. regulations all contributed not only to changing attitudes to health policy, but also to building stakeholder consensus on drafted laws and regulations.

Although BU did not report specific efforts to build support of key stakeholders for draft laws and regulations, the evaluation team found compelling evidence that BU had facilitated the build up of such consensus by:

- disseminating information to stakeholders;
- participating in discussions of the proposed drafts with stakeholders;
- seeking the opinion of stakeholders before drafting the conceptsia of a law, and
- assisting counterparts to design and implement action plans designed to obtain the support of stakeholders.

These activities brought together a broad range of Russian parties whose support would be necessary to adopt and implement proposed legal and regulatory changes.

Impact on the Quality of Legislative and Regulatory Proposals. The evaluation team also found evidence that the project significantly improved the content of proposed laws and regulations. Although it is difficult ex post, to assess the role of one actor in a complex process, the Russian counterparts interviewed for this evaluation consistently gave BU credit for having introduced many important improvements that have been incorporated into proposed laws. All interviewees estimated that at least 30% of BU's comments and recommendations had resulted in changes; many suggested that over half had been incorporated. Some counterparts reported that without BU's help it would have been impossible to produce drafts of acceptable quality.

While the content of legislative proposals was significantly improved, BU would be the first to admit that the content of legislation developed with project assistance frequently left much to be desired. With respect to financing of health care, for example, the concept of cost sharing is generally absent. The exception is in the Kaluga Oblast's draft, where co-payments are permitted, but only when revenues to the MHI system are determined to be insufficient to provide the package of essential services to the population. In a country where, according to the project's household survey, almost 50 percent of health expenditures are paid out-of-pocket by consumers, more formal cost-sharing arrangements would seem to be inevitable and to be in the public interest.

Nevertheless, the evaluation team (and USAID) can expect the project to do only what is currently politically acceptable. The evaluation team respects BU's judgment that cost sharing and other financing and management principles not incorporated in its work were currently politically acceptable.

Impact on the Pace of Reform Activities. The project helped the counterparts to accelerate the process of reform, moving through some (or all) of the steps usually required (see list of steps in Section I). BU accelerated the process by providing information and by helping to motivate counterparts. Background materials on issues subject to regulation, for example, allowed counterparts to borrow wisdom from selected health care models already in operation, rather than wasting time and effort on attempts to invent new ones. Offering consultants compensation based on progress of work, BU accelerated the reform by creating a disincentive to working group members to procrastinate. The frequent visits of BU advisors, supplemented by correspondence and phone calls, also stimulated greater effort and productivity.

Actual and Potential Impact on Health Care Services. Given that only two technical assistance activities have reached the stage in which laws or regulations have been enacted, one should expect little if any actual impact on health services. Counterparts who worked on the pharmaceutical law in Novgorod did report, however, that there have been impacts on both the quality and cost of drugs. Quality has improved as suppliers, aware of the new regulations and potential penalties, are no longer sending products that are about to expire. Also, pharmaceutical costs have fallen because of the increased use of generics included on the oblast's formulary.[4] On the national level, MHI officials reported to the

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4 These positive results were achieved in cooperation with USAID's Rational Pharmaceutical Management Project. Management Sciences for Health, USAID's contractor under that project, provided the basis for formulary development and competitive bidding

evaluation team that insurance companies had started complying with provisions of new regulations even before they were enacted.

The potential impact of other laws and regulations developed with BU assistance is probably considerable. Although BU and its counterparts do not routinely specify the impact being sought when they undertake to draft a new law or regulation, at the evaluation team's request BU developed a list of objectives that might be achieved from each effort. That list, included below as Annex F, shows that the new laws and regulations are intended to address some of the health system's greatest weakness, such as excessive bed capacity, central control of hospitals, planning and budgeting systems that do not encourage efficiency, etc.

B. Study Tours and Workshops

To evaluate the study tours and workshops, the evaluation team sought information to make judgments on factors such as the selection of participants, the quality and effectiveness of technical presentations, and the usefulness of the information presented. Indicators of performance in these areas are presented below.

1. Study Tours

The evaluation team's assessment of the project's study tours is based on a review of program schedule, selected materials used in the training, a list of participants, a sample of participant assessments provided to the team, and interviews with a number of those who had participated. Interviewees gave the study tours consistently high to outstanding marks, and several participants volunteered that the BU study tours compared very favorably with other study tours on which they had participated. The team reviewed the following indicators of performance.

Selection of Participants. Participant selection was competently managed. A review of participants' institutional affiliation indicates that all participants on the study tours except for those from the Public Health Research Institute were from BU's Russian counterpart organizations. Participants on the first study tour were at fairly senior, policy-levels, while those on the second tour were at the technical level. Inclusion of counterparts from both these levels is likely to have been an effective strategy to build broad-based support for reform within key institutions.

Selection of topics. The two study tours covered a variety of topics needed to give participants a good general overview of the U.S. health and legal systems and their interaction. Although some participants indicated that less emphasis on the general aspects of the U.S. legal system would have been adequate, they nevertheless gave high marks to the usefulness of all topics. Most important, the selection of topics matched well with the reform activities on which the participants are working with BU. Licensing and registration, regulation of insurance and pharmaceuticals, and state health care programs are examples of topics directly related to the work of the project.

Organization of study tour materials. A wide variety of materials were distributed to the participants. These included materials supporting individual presentations and selected

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procedures.

European, U.S., and international health regulations. Materials were reasonably well organized and were translated into Russian to accommodate the majority of the participants who were not speaking English. Participants interviewed by the evaluation team gave the quality of materials high marks (four or five on a five-point scale).

Follow up activities. It is widely recognized that follow-up activities can greatly increase the effectiveness of the training. As previously indicated, the project reinforced the messages provided in its 1997 study tour with a workshop in Russia in December 1997. Participants that the evaluation team interviewed gave the workshop the same outstanding ratings given to the study tour. A similar workshop is not planned as a follow-up to the 1998 workshop, although BU expects that many of the study tour participants will take part in a seminar in the Spring of 1999 to discuss the generalizability of the reform laws and regulations supported by the project.

Proficiency of interpreters and quality of translations. Participants rated interpretation and translation services as excellent.

Administration (lodging, meals, travel, entertainment, finances). Most participants gave the elements of administration very high grades in response to the BU questionnaire and to the evaluation team's questions.

BU's self-assessment. As indicated above, BU asked participants to rate their experiences, and this information is utilized to improve future activities. Responses suggested that participants had learned a great deal. The questionnaire was not designed to determine whether specific knowledge had been acquired or attitudes had changed.

Use of Resources. As of June 30, 1998, the project reported expenditures of $107,000 on the two study tours. This constitutes 14% of total project expenditures to date. However, BU has informed the team that expenditures incurred but not yet processed would exhaust the study tour budget of $159,664. BU plans to explore the possibility of doing a third study tour that would be financed largely with Russian Government resources. Participants' confirmation that they have used the knowledge that they acquired through the study tours suggests that these programs were reasonably cost-effective.

2. Workshops

Selection of Participants. Participants in the workshops organized by the project were primarily representatives of counterpart organizations or organizations working closely with counterparts. In these cases, mainly decision-makers were invited to participate, which enhanced the prospect that legislative and regulatory reforms would be enacted and that the project would continue to impact on health reform in the future. When the project was assisting a counterpart institution to organize the workshops, that organization largely determined the participants.

Selection of topics. All five workshops focused on subjects central to the project's legislative and regulatory agenda in the technical assistance program.

Organization of workshop materials. Workshop written materials and presentations were reasonably well organized. Participants gave this component marks of two to four on the four-point workshop evaluation forms.

Impact of workshops. The project effectively used workshops to reinforce other elements of the program. Three of the five workshops centered on a draft law or regulation; participants were important stakeholders affected by the proposed reform. Numerous interviewees reported that the workshops had helped to build a consensus for the reform and had been or would be key to its enactment. As noted above, one workshop served to disseminate information about the project's health expenditure survey, and the final workshop reinforced learning on a study tour. These workshops also appear to have achieved their desired impact.

Proficiency of interpreters and quality of translations. Similar to the study tours, the quality of oral interpretation and written translations were sufficiently high to ensure that participants understood the English speakers and the information in disseminated materials.

Efficient Use of Resources. The small expenditure, about $39,000 or five percent of total expenditures, is a very small amount to have spent for the results that appear to have been achieved.

C. Applied Research

The household expenditure study has made an important contribution to the project, providing essential information to policy makers about the functioning of the Russian health system. The survey results help to illustrate the depth of the heath system's financial crisis and the financial implications for Russian families. This type of information informs decision-makers and is an essential component of the health reform process.

BU utilized an experienced Russian survey research institution to carry out the work, and it buttressed that institution's capability for this particular work with additional U.S. expertise in survey design and health economics. The project's quality control activities have proven important to protect the survey from criticism.

The evaluation team was particularly impressed with the extent and careful orchestration of dissemination activities related to the survey. These included briefing policy-makers and the press as well as the Russian-language publication of technical articles and papers aimed at a variety of audiences. The effective dissemination program greatly enhanced the impact of this applied research.

In contrast, the evaluation team found the English language summary of the work disappointing, lacking clarity and containing grammatical and formatting errors. The team views the Russian-language publications as the most important, but believes that there is an important audience, particularly the donors, NGOs and contractors working in Russia, that would make use of this information in English. These institutions produce and are accustomed to seeing highly professional survey research reports.

The evaluation team asked many of its interviewees, including those engaged in both national and oblast-level administration or legislation, whether they were aware of the results of the expenditure survey. In each case, they seemed to be familiar with the principal results and found them pertinent to the issues with which they were dealing. There is little doubt but that the survey has increased knowledge and is changing

perceptions about problems in Russia's health care system; it is also likely to change attitudes about dealing with those problems.

D. Management

Adherence to the cooperative agreement and to plans. The evaluation determined that BU has not always adhered to the stipulations of the grant agreement and has frequently changed its work plans. One area in which BU seems to have made little effort to fulfill the cooperative agreement is with respect to monitoring and measuring changes in knowledge and attitudes. BU indicated to the evaluation team that it was reluctant to begin a relationship with what might be seen as intrusive questions that would suggest that BU was deliberately trying to change attitudes. The team appreciates BU's concern but believes that a simple questionnaire could be administered and explained. It should be possible, for example, to administer pre- and post-training questionnaires in conjunction with study tours and workshops without arousing undue suspicions. Information gathered might help BU personnel to better focus training and technical assistance activities and would provide a basis to measure one type of intermediate impact. As reported above, the evaluation team's own effort to assess whether the project did indeed achieve changes in attitudes toward reform yielded very positive results.

Another activity included in the cooperative agreement that appears to have received little attention is the generation of "lessons learned." It was not clear to the evaluation team whether this was because the BU staff are fully engaged and more interested in the work with individual clients, or if it is really too early to write up lessons that might be useful to other Russian oblasts, to other projects, or to BU itself in planning its activities.

Although the evaluation team believes that more attention could usefully be given to those two areas, it also believes that most of BU's divergence from and changes in plans were appropriate and enhanced the impact of the project. The considerable number of changes in the project's legislative and regulatory activities, for example, reflect changes in the Russian environment and were appropriate. Undertaking the household health expenditure survey, a type of research work that does not appear to be anticipated in the cooperative agreement, was a sound decision on the part of BU. In all of these cases, BU appears to have consulted with or at least informed USAID. These changes represent good technical judgment and sound management of resources. USAID, which is sometimes criticized for "over-planning and under-management", should welcome the active management exhibited by BU and the USAID project officers in implementing this cooperative agreement.

Utilization of non-project staff to produce draft legislation and regulation. The project's modus operandi for drafting proposed legislation or regulation is to have local counterparts do the drafting, while BU staff and consultants provide guidance on issues to be covered, models of laws from other countries, comments on drafts, etc. Many development experts would say this is how foreign assistance is meant to work. Advantages of this system include that the use of expensive technical expertise is reduced and that the Russian counterparts take full ownership of the draft and the initiative. Indeed, this may be one reason why the evaluation team found counterparts enthusiastic

about the work of the project and why they have worked to build a consensus in favor of enactment of their proposals.

A possible disadvantage of this method of operations is that it may be more difficult to influence the content of the proposal - clearly the legislation developed with project assistance is not always what experts exposed to Western processes would like to see. However, legislative proposals that Western health experts might have produced would likely not be accepted and implemented in Russia. The process that BU has put in place probably introduces and incorporates new ideas about as rapidly as they can be absorbed in the Russian context.

The national and duma-level work groups that have drafted the legislation and regulation have generally performed well in moving the planning-drafting-review-revision-approval process ahead expeditiously and in meeting schedules. This is due in part to the fact that the reform initiatives have come from the participating Russian institutions and reflect their sense of priorities. BU's practice of hiring local officials as consultants to do work outside of normal working hours and responsibilities also provides a financial incentive to keep to rigorous schedules, since payments are conditioned on the delivery of specific products.[5]

Quality and timeliness of reports. BU has a commendable record of providing its reports to USAID on time, and those reports seem to have generally met the needs of the project officer. Quarterly financial reports are neat and easy to read. However, the evaluation team found work plans and progress reports confusing. Project activities do not have numbers to identify them, and activities are referred to by a variety of names. The team found it difficult just to know how many technical assistance activities the project had undertaken, and even more difficult to determine from the work plans and progress reports how each activity had progressed over time. The team believes that these problems can easily be remedied with little additional expenditure of time or money.

Quality of technical documents. Given the project's objective of producing improved health legislation and regulation and its modus operandi, much of the output of the BU staff and consultants is in the form of informal memos and papers that serve as working documents. Comments on a draft law, for example, have value principally to the small group working on the draft, and only until the group considers the comments and moves on. There is little reason to be concerned about the presentation and style of these documents.

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The evaluation team questions whether this incentive system is essential to produce the project"s successful record. However, because of it lacks sufficient experience to make an independent judgment as to the need for these incentive payments in the Russian context, the team is not making a recommendation to USAID or to BU on this point.

The evaluation team noted that in mid-1997 USAID"s Health Division reviewed BU"s practice and properly sought and obtained clearance through appropriate Mission channels. The Mission"s review and approval imposed several restrictions on BU, including requirements that payments be modest, time-limited and not exceed seven percent of the project budget. Although a full review of BU"s compliance with these restrictions was beyond the scope of this evaluation, discussions with BU personnel suggest that they have carefully observed these and other USAID policies.

There are, however, a limited number of what can be considered project documents, whether produced by the Russian counterparts or by BU staff or consultants, that have value beyond their use by a small group for a short period of time. Such documents include the final drafts of laws and regulations, papers identifying the issues that need to deal with in a particular type of legislation or regulation, and certainly technical reports about social science research. The evaluation team's review of project documents revealed that some documents that it considered should be made available for wider distribution (e.g., to other oblasts, experts from international organizations, etc.) did not consistently meet the highest professional standards. USAID personnel also expressed concern on this point.

Relationships with other projects. Legislative change is but one important element of health reform. BU's two proposals to USAID clearly reflect an appreciation of this point, suggesting that the legal work that it would undertake would often stem from pilot projects (that it proposed to undertake). As USAID did not fund BU to carry out the economic and technical work, the evaluation team anticipated that BU would work very closely with KPI, the World Bank, the Know How Fund, the Rational Pharmaceutical Management Project and others attempting to improve the way health care is provided in Russia.

Although BU works closely with KPI on initiatives in Kaluga and Moscow and with the Know How Fund in Samara, the evaluation team felt that BU's ties with other projects were not particularly close. If BU becomes somewhat more pro-active about reform issues in the future (as is recommended below), mutually supporting ties to other projects and donors might be helpful both to BU and to those entities.

Lessons learned and dissemination. The project has been largely focused on the legislative and regulatory activities and with the clients (counterparts) identified above. The evaluators believe that more attention might now be given to efforts to disseminate products and lessons learned to a wider Russian audience.

III. Conclusions and Recommendations

BU's Center for International Health has provided competent technical assistance, training and research activities, and these are highly valued by the project's Russian counterparts. There is considerable evidence that this assistance has increased Russians' knowledge about alternative health systems, increased receptivity to change, positively influenced the content of reform proposals, and accelerated the reform process. Although only a small number of reforms have thus far been enacted, there is some evidence that there has been some limited impact on health services. Moreover, Russian health officials are confident that a significant number of other reforms to which the project has contributed will be enacted in the coming months. BU has used USAID resources well; indeed, the level of activity, output and intermediate results for the small amount of financial investment are excellent.

A. Recommendations to USAID

Continue USAID support for health reform. Assuming that USAID is prepared to continue its efforts to improve health care services in Russia, then investments to change the organization, management and financing of the system are fundamental. Regardless of whether the system becomes more private, it must introduce measures which create appropriate market or market-like incentives for providers, insurers, government, and consumers of health care. USAID investment in helping Russians to better understand how their health system works and how systems work in other countries will eventually yield reforms that improve health care and health status.

Continue USAID support for the BU program. The team recommends to USAID that it continue its support for the BU program and that it consider some expanded financing. Additional funding would allow BU to finance the administrative services that it has been receiving from KPI, gradually to expand its technical assistance and applied research activities, and to initiate efforts to build an institutional capability in Russia to provide the types of services currently being provided through BU. (The evaluation team's recommendations on these activities are presented below.

Permit BU to continue directing assistance to the Russian government. The team has seen evidence (e.g., the household expenditure survey) that the project can provide useful assistance which would qualify as assistance not to the government. One can imagine other types of activity, such as assisting associations of physicians or insurers to work for changes in governance arrangements or to understand the existing legislation pertaining to private providers or insurers. These types of activity could usefully be expanded.

However, the evaluation team is concerned about the potential impact of the U.S. legislatively-imposed restrictions on assistance directly to the Russian government might have on this program. A total shift to assistance to non-governmental organizations would be a different program, unlikely to effectively utilize BU's particular strengths nor yield the positive results of current activities. We would thus encourage USAID to allow this project to continue directing the bulk of its activities toward government counterparts.

Other USAID support. In addition to these recommendations to USAID, its support would be needed if BU were to implement many of the suggestions that follow.

B. Recommendations to BU

The team has a number of suggestions pertaining to the management and organization of the BU program. In formulating these suggestions, the team has been cognizant of the financial and other constraints under which the project functions.

Selection of technical assistance activities. The team believes that BU's decision to defer to its Russian counterparts to select project activities (Svetlana's Law) was probably wise during the initial years of this program. Pushing its own reform agenda would probably have kept the project from establishing the close and effective relationships that have been a key to its success.

Now, with excellent relationships with counterparts established and a better knowledge of Russia's problems and political environment, the team believes that it would be appropriate for BU to focus its assistance on those reform activities likely to yield the greatest benefit to the health system. This implies that BU be more pro-active in the

development of the legislative and regulatory agenda on which it works. To move in this direction, the team suggests that BU first develop an agenda of priorities for legislative and regulatory reform. We believe that a clearly articulated sense of reform priorities would help the project to focus on the most important reform activities, both by giving project managers a guide for selecting among alternatives proposed by Russian counterparts and for suggesting ideas to counterparts. In establishing this sense of priorities, we suggest that the project's senior staff consult with USAID, other donors, and selected other projects.

Strengthening the technical assistance planning process. The evaluation team observed that BU is careful to ensure that local officials who seek assistance are serious about undertaking the activity and are willing to commit their time to the effort. We suspect that this screening has helped the project to achieve considerable success in maintaining momentum, keeping to schedules, and producing its considerable output of draft legislation and regulation.

At the same time, there seems to have been a lack of clarity about the goal(s) of each activity, particularly in terms of the changes in health care delivery being sought. Greater clarity about objectives might strengthen the drafting process, help the project and the counterparts to know how to measure impact, and help all of the parties (including USAID) to relate project activities to health care and health status. We suggest that the launching of each new technical assistance activity be accompanied by the development of a somewhat expanded plan that incorporates a statement of the types of impact on health care services that the drafters seek.

Reaching a broader audience. With 87 oblasts in Russia and a considerable variety of laws that could be drafted in each, it is obvious that the project needs to maximize the effectiveness of its work on a particular legislative or regulatory area. This implies that the project pay increased attention to dissemination and roll-out, seeking to make the best use of products and lessons learned.

Consistent with the project's policy of putting the counterparts in the lead, a workshop in which officials from an experienced oblast provide products and lessons learned to other oblasts might be an appropriate project activity. (The team understands that BU is planning this type of activity using Novgorod as a base.) Other ideas include holding additional workshops (e.g., like the one held in June with KPI) in which oblasts working with BU on different laws can learn from one another, expanding the dissemination of Russian-language project documents, forming a multi-oblast work group to develop the same or similar laws for each, publishing articles about new laws and their effects, and perhaps even launching a journal on health reform legislation and experimentation (if one does not exist). The team also recommends that BU more carefully document important findings and lessons learned in English for the benefit of USAID and the international community.

Expanding applied research activities. The expenditure survey has served an important function. Repeating it annually will reinforce important findings and will allow health planners and legislators to monitor changes in the health care system and in household behavior.

The project should consider undertaking other research activities that would help to inform the policy and legislative reform processes. Assessing the impact of legislative and regulatory changes introduced as a result of BU assistance would be useful to all concerned. Keeping in mind that providing information to consumers can be an effective alternative to government regulation and enforcement, BU and USAID might also consider experiments to test systems to monitor and to inform the public about the performance of insurers, the performance of providers, the costs of pharmaceuticals at pharmacies, etc.

Creating a Russian institution for consulting and research on health governance, organization and financing. The idea of building a Russian institution to institutionalize the type of assistance that the BU project is providing merits USAID and BU support. BU might consider the initial development of a local BUCIH office (which it will probably need in any case to continue activities when KPI leaves) that would evolve into an independent consulting, research and training facility. Starting the center with a dual American-Russian character might help to attract new clients (e.g., the World Bank, other USAID projects) and to avoid or withstand pressure from existing government-supported entities. In considering options for the creation of a local institutional capacity, the team suggests that BU consult with the Urban Institute and Louis Berger, Inc. which have successfully fostered the establishment of Russian institutions to continue their work.

Establishing a new system for administrative support. Although BU may find office space with another USAID contractor or grantee, it will be important that BU register with the Russian Government. BU might initially register as a Representative Office (of BU/Boston) and, particularly if BU wants this office to evolve into a Russian institution, later change this to register as a Russian entity. The team's discussion with Carana Corp. personnel indicate that registration need not be time-consuming nor expensive. Establish a new administrative system to ensure the legality and continued financial integrity is obviously a priority for BU and for USAID.

Improving technical reports. The team recommends that the project increase the dissemination of selected project documents outside of the project. In deciding which English-language products are important, BU would benefit from closer collaboration with the USAID project officer and other USAID Health Office personnel. Those documents should then be written, edited and produced to the highest professional standards.

Improving reporting. To facilitate tracking project activities, the team recommends that future work plan and progress reports always refer to activities by the same name, and preferable assign an activity number to each. BU and USAID might find it useful to create worksheets (see, for example, those in Annex C) that could simply be updated each quarter to show the trajectory of each activity over time. The exact form of these reports would best be discussed between BU and USAID personnel.[6]

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The evaluation team's experience with the worksheets in Annex C suggests that BU might want to consider a similar table but with (a) a separate page for each activity, (b) a simpler numbering system (e.g., Duma 1, Duma 2, etc.), and (c) breaking the time periods down into quarters (rather than semesters) to reflect the project's quarterly progress reporting cycle.

Monitoring changes in knowledge and attitudes. The team recommends that BU develop and implement a system for monitoring changes in knowledge and attitudes, as called for in the grant agreement. This system need not be complicated or time-consuming. Pre- and post-study tour questionnaires, for example, would not be difficult to develop or administer. The measurement of changes in the attitudes of counterparts on technical assistance could be limited to a sub-set of project activities. If BU finds it impossible or inappropriate to implement such a monitoring system, it should request that USAID amend the cooperative agreement accordingly.

Strengthening relationships with other projects. The legislative and regulatory process requires not only experienced legal talent, but economic, management, clinical practice and service delivery expertise. Particularly with KPI leaving, BU would benefit from more extensive communications with personnel working with other USAID projects, the World Bank, the Know How Fund, and other international institutions helping Russia to make its health care system more efficient and effective.

Expanding BU's provision of health economics, clinical practice and organizational expertise. As noted, with KPI leaving, BU will experience an increased need to supplement its legal expertise with technical expertise in these and perhaps other fields. Although other projects may sometimes provide this assistance, BU will often need to provide this talent under the cooperative agreement.

Contingency planning for possible restrictions on assistance to the government. If USAID is required to limit BU participation to the government, BU and USAID will need to determine what activities merit their efforts and resources. Aside from an expanded applied research program as suggested above, BU and USAID might consider assistance to private physicians to set up private practice groups (e.g., helping them to understand existing legislation and regulation and to contract with the MHI) and/or the creation of an association of physicians and other practitioners that could provide advice to government on legislation and regulation.

The evaluation team thanks the reader for her/his attention and hopes that this report will lead, albeit in a small and circuitous way, to improving health care in Russia.